NON-DUES REVENUE: Must-Have Tools

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GO DIGITAL
An e-version of Executive Memo becomes available on www.csae.org once the issue is published. It’s a fun, interactive way to experience and share the magazine. Between editions, keep up on all things CSAE via Facebook, Twitter and LinkedIn.

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ONLINE EXTRA

The Mission:
CSAE is the community that fosters personal excellence for all within the association management profession.

The Promise:
CSAE is committed to delivering high-value programs and services. If a CSAE member is not completely satisfied with any CSAE offering, CSAE will make it right or refund the member’s money.

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Don’t forget to check out csae.org for more resources, stories and inspiration. In fact, every time you see the symbol at the right that means we’ve got some more for you online.
Executive Memo is the official magazine of CSAE, Colorado Society of Association Executives. CSAE brings together association leaders to foster professional and personal excellence through unique learning opportunities that inspire members to achieve more and guide associations into the future.

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Creating Value through Non-dues Revenue Programs

According to the ASAE Foundation’s *Association Operating Ratio Report*, 15th Edition, membership dues accounted for 95.7% of total revenue for associations in 1953. If we fast-forward to today, we find dues account for 45.4% of trade organizations, and only 30% of total revenue for professional organizations. Have you looked at the dues revenue percentage of your organization? How has it changed over the past several years?

We know of organizations with massive amounts of member benefits and numerous non-dues revenue programs, but the cost of maintaining those programs and services can make them a cost center, not an income stream. Most organizations are consistently challenged by creating value or ROI through non-dues revenue programs. Many of these challenges are due to generational and technology changes as well as how the needs of today’s busy professionals have evolved.

We all acknowledge that things are just not what they used to be. We recognize that we need to engage members further with less cost, in a more effective manner. We need to look closer at how we can best meet members’ needs and help solve their problems—we want to be that go-to source for them.

Some benefits or programs stand the test of time on real member value. I read an earlier quote where Tom Morrison of Metal Treatment Institute said, “The best way to help your members is to give them what they cannot obtain on their own.” He added, “Make it something they need to succeed in their industry.” It sounds simple, but we all know it can be challenging to accomplish. Nevertheless, if our non-dues revenue programs solve members’ problems or make them professionals that are more competitive, it can be a win-win.

As one example of providing value, CSAE offers a subscription to PEAK Luncheon programs, which saves members who attend multiple events money, while providing more exposure for the organization and potential for revenue growth. Abila, a company that provides technical know-how and information for nonprofits, noted in a recent study that 55% of millennials prefer package pricing, while with boomers, it is only 36%. Xers are in the middle at 46%.

Being flexible and implementing changes that help you continue to be not just relevant, but a “no-brainer” choice for membership is the answer to the ever-changing challenge of creating value. We at CSAE hope we are doing just that. If you have thoughts, ideas or suggestions for the organization, please let our Executive Director, JT—or any of our board members—know, as we continuously strive to make CSAE be the best it can be for you.

Brian Stockman
2016-2017 CSAE President
2017-2018 CSAE Past President
American Society of Farm Managers and Rural Appraisers EVP/CEO
Is Money Being Left on the Table?
Membership dues are the bread and butter of most associations, providing annual, renewable income that usually can be forecast reliably. However, you might be leaving money on the table if you’re not taking advantage of opportunities to generate income in the form of non-dues revenues. Here we highlight a slew of tools that in many cases double associations’ annual revenues.

Events

Events foster comradery and networking opportunities among members, as well as brand recognition for your association. A well-executed event will have a lasting impression on members—and sponsors. Katie Kruger, Executive Director of dmCAR (Denver Metro Commercial Association of REALTORS®), has seen extraordinary success by focusing on a few signature events done very well. She notes that dmCAR’s key annual event now sells out in 24 hours, and attributes this to creating exclusivity and scarcity by limiting the number of tickets to keep a consistently high-quality event. Additionally, the format of an award competition event has elevated recognition for winners, their companies and the entire industry.

Sponsorships

Sponsorships provide the sponsor with an audience of your most engaged members, an opportunity to stand out from your other partners, and a chance to promote their product or service to a captive, highly targeted audience. Recognition can include everything from the expected signage and event program, to logos on drink tickets and step-and-repeat banners, PowerPoint presentations, and verbal thanks from the event chairs. For IECRM (Independent Electrical Contractors, Rocky Mountain), event registration coupled with event sponsorship brings in 20 percent of the total association budget.

Publications

Publications are a traditional part of any association’s communications and marketing. Additionally, many produce industry papers, manuals, forms for industry use, and videos. These can be monetized to cover the cost of production, and then some. CADA (Colorado Automobile Dealers Association) publications include keepsakes, such as a book of the organization’s 100-year history. CADA President and CEO Tim Jackson says his organization grossed $1 million last year just on forms it provides to heavily regulated auto dealers.

PSIA-AASI (Professional Ski Instructors of America and American Association of Snowboard Instructors) has successfully sold instructor manuals, enhanced by embedded videos that demonstrate technique. Tom Spiess, Chief Financial Officer, says non-dues revenue is often less about making money than enhancing member value by supporting new benefits. PSIA initially charged members for videos as a way to defray upfront production costs. Over time, funding from grants and donors made fees unnecessary. Video is crucial to member engagement, he says, and engagement can help grow your association.

Paid advertising usually exceeds all the hard costs to produce, print and distribute the publication. Print publications should also be accompanied by an online presence—a website or enewsletter—where you can sell banner ads. Amy Hamm, a partner in Association Media Partners, notes the growing popularity of advertorials, which contain a soft marketing message and give the advertiser a chance to explain their product and/or service in more detail, while blending in
with editorial content to add credibility to the brand.

High-impact advertising options include gatefold covers, business reply cards, post-it notes, “belly bands” and other inserts placed inside or on top of the front cover. Inserts can also be poly-bagged with the member magazines, allowing the sponsor to be seen first. Most options have digital counterparts.

The issue of Executive Memo you are reading brings in revenues for CSAE through advertising and advertorials, blow-in inserts, and occasional paper belly bands wrapped around the magazine.

Continuing Education

Associations are uniquely positioned to provide credible continuing education content in the form of classes, seminars, workshops and licensure. Associations such as IECRM strive to be the preferred provider of continuing education for the nearly 200 independent electrical contractor companies they serve. Through well-vetted course content, engaging and knowledgeable in-person instructors, competitive pricing, and thorough marketing efforts, IECRM is seen as the go-to for required and optional continuing education in the industry. Our next issue of Executive Memo will focus on Continuing Education and Certification, so please come back for more.

Digital Badging

“Associations that already offer a certification or are developing any kind of assessment-based learning should take a look at digital badging,” says credentialing specialist Adrienne Segundo, IOM, COO/Chairman of Limitless Association Solution Resource LLC. Digital badging offers numerous advantages over paper certificates. For a full article on digital badging, see Executive Memo, Winter 2017 issue.

E-newsletters

In addition to print publications, email newsletters are now mainstream for associations. While readership trends are different than for print, e-news provides a timely way to reach your constituents on a variety of topics without clogging their email inboxes. Members and partners realize the benefit of having a presence in your e-news, and expect to pay for this advertising opportunity.

Online/Website Ads

As with email newsletters, online ads can be more timely and targeted than print publications. Offers can be tested and adapted on the fly, click rates can be captured and analyzed, and cookies can be used to continue to advertise to online users long after they have viewed your website. Tom Spiess of PSIA says enabling web users to click through to sponsors’ sites enhances the value of sponsorships. It also serves an overall industry strategy by getting members involved with industry players. “It keeps the passion going,” Tom says.

“Schwag” and Logo Items

Want to leave a lasting impression while raising additional funds? Low-end T-shirts still sell, but Linda Schafer of GI Specialties says what’s hot in logo merchandise is higher-tech items such as watches or even trendy, patterned socks. One client who sold polo shirts for $14 last year now sells fitted, all-weather, moisture wicking jackets for $30 or $40. “People want something different—something out of the ordinary that’s also practical,” Linda says. Associations unable to stock large amounts of products are turning to hosted websites to handle inventory, ordering and fulfillment.

Affinity Marketing Programs

Grant Price, MBA, CAE, Executive Director of World Sign Associates, describes affinity marketing as leveraging the value of your brand to help other people sell their products. This can be a stand-alone endorsement of a preferred vendor or part of an integrated marketing campaign. Affinity programs are usually not subject to UBIT (Unrelated Business Income Tax); consult your tax advisor. Avoid programs that compete with your industry and existing partners. Good candidates might include cell phone carriers, VoIP, insurance, healthcare, fleet services, rental services, laundry services—companies that probably wouldn’t exhibit at your trade show, but can offer discounted services your members value. Before giving your “seal of approval,” vet providers thoroughly. Consider appointing an oversight committee.

Service Groups/Industry Partners

Your association has unique access to members, suppliers and benchmarking data, as well as a keen knowledge of members’ needs. Who better to provide services for which members will pay? One credit union association engaged a contractor to provide member organizations with onsite auditing for regulatory compliance. The association also helped credit unions conduct elections and developed a turnkey marketing program. Many associations relicense or sell software, apps or other items for nonprofit companies.

Every CADA member must bond its dealerships and salespersons. By serving as a licensed agent for providing bonds to its dealers, CADA nets more than $300,000 per year and another $170,000 per year through its wholly owned insurance services division for group benefits. Tim Jackson says dues account for less than 10 percent of CADA’s $4 million annual budget. The other 90 percent is channeled into several entities through sales of forms, bonds, marketing projects, sponsorships, webinars, conferences and other sources. Without non-dues revenue, CADA would have to increase dues 1,000 percent—even more considering how many members would drop out. Despite his association’s reliance on non-dues revenues, Tim offers crucial advice: “Don’t lose sight of the overall core mission of the association.”

Consult your accountant and legal counsel before launching non-dues revenue programs.

Mary Beth Armbuster is Director of Operations and Member Services for IECRM.
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Making Publications
We've heard it many times: Content Is King! With this being true, how do you spread the wealth? How do you distribute content in a manner that will educate your members, while benefiting your organization through additional revenue contribution? Publications may be the answer your association has been seeking.

When you hear the word publication, most associate the word with print publications. In today’s marketplace, publications are no longer distributed in a print-only format. The term publication is classified as any media that deliver communication to your members through the following platforms: magazines, journals, manuals, white papers, books and e-newsletters, channeled through audio, video, print, and/or electronically as an e-book or on the web, among others.

Not only can associations publish a thriving member magazine, but they can complement their print publication with online forms, journals, white papers, videos and e-magazines. Beyond that, there is mobile, e-commerce affiliate programs, social media feeds, big data, and the fact that it is easier to experiment with and less costly to develop new content on digital platforms than ever before. The challenge is that associations must choose which media platform is best for delivering what type of content, while increasing revenue during the process. We asked two interviewees about their top performing member publications, and how those publications bring in additional revenue for their associations.

Interviewee: Matt Hudson, Publications and Communications Manager, Geological Society of America (GSA).

AH: What is the top performing publication GSA produces, and why would you rate it as such?

MH: GSA’s top performing publication is Geology (0091-7613). The journal has had the highest impact factor in the Web of Science’s “geology” category for nine years in a row, and it is also our top performing publication in terms of net revenue.

AH: What is the primary benefit it brings to GSA as an organization?

MH: The primary benefit of Geology is probably revenue. The extra revenue it and our other publications produce is used to support important, but non-revenue producing departments, such as GSA’s Public Policy Department in Washington, D.C. These kinds of efforts would not be possible without the publications.
AH: What is the primary benefit it brings to GSA members?

MH: GSA began including free online subscriptions to Geology with our professional memberships in 2017. It had already been free to student and early career members, but it had not been free to professional members since the late 1990s or early 2000s. At that time, it was decoupled from membership because some members felt like they were paying for publications they were not using.

The perception of this member benefit is still a bit mixed. Our members are not necessarily our authors, and some members passionately devour the journal while others do not. That said, the format of Geology makes it especially useful for staying abreast of the industry, and I would say that is probably its primary member benefit. It has short papers of four pages or less, and it includes content from all areas of the geosciences. In this age when researchers are becoming more and more specialized, this makes Geology somewhat unique. Subscribers and members alike comment that they end up reading articles about content well outside of their area of expertise, and the serendipity of stumbling across these articles can often help and inform their own research in surprising ways.

AH: GSA incorporates longitude and latitude coordinates within distribution of your content.

MH: Yes, we have a number of map-based search tools that have been developed in partnership with a couple of other companies. At a basic level, all of our content, and particularly our maps and figures, have been tagged with the latitude and longitude coordinates of the area they describe. Users can then go into a map view similar to Google Maps and draw a box around the area they want to research. The system will then reveal all of the research, maps and figures that describe that area, which the user can then sort according to type, scale, keywords, and so forth. Users can even download GeoTiff and KMZ files that can be displayed directly in Google Earth.

There are quite a few uses of this kind of data. For example, a couple of years ago researchers were investigating an unusual cluster of mesothelioma cases in Nevada. This is a real situation, but I don’t know exactly how they did their research, but hypothetically, if they wanted to understand the geology of this area and how it may be contributing to these problems, it would be easy to zero in on this community and reveal everything we have ever published about it. In this case, it was revealed that the nearby mountains had asbestos in them, and this asbestos was being disturbed by off-road vehicles and blowing into the nearby town.

Another example has to do with oil exploration. Say, for example, that a country is going to open up a particular area to drilling. Users would be able to quickly highlight that area of the world, and then reveal the research about it. They could then bring these geologic maps directly into something like Google Earth, where they could overlay the lease fields to determine which specific plots they were most interested in purchasing. In this time of specialization, a tool like this can be really valuable. Someone might be an expert on the river systems in Boulder County, but with this tool they could quickly find research about the mineralogy or geomorphology that is affecting what they are studying.

Interviewee: Constance Hardesty, Editor in Chief, American Animal Hospital Association (AAHA)

AH: What is the top performing publication AAHA produces, and why would you rate it as such?

CH: Trends is AAHA’s top performing publication, in terms of income and member value. It is a monthly member magazine featuring insights, advice, and how-to tips related to all area of business management for veterinary practices. Our articles feature success stories from practices as well as association news and promotions.

AH: What is the primary benefit it brings to AAHA as an organization?

CH: The most important measure of the magazine’s success is member value as measured by use and value: 97 percent of veterinary practice managers and 94 percent of practice owners say they read and use Trends, and the magazine consistently ranks as the most valued member benefit according to surveys of our members. Of course, income is an essential measure of success, and Trends performs well there as well.

The publication carries advertising, sponsorship and custom publishing. Thanks to strong ad sales and sponsorship programs, Trends contributes significant non-dues income to the association. Sponsors and advertisers recognize AAHA members as among the most successful in the veterinary profession. As a result, most issues of the magazine carry, in addition to display ad, some form of advertising or sponsored material outside the body of the magazine: a tip-on cover or sponsored booklet that is inserted in the polybag with the magazine.

AH: What is the primary benefit it brings to your members?

CH: Member connection and professional excellence are woven throughout Trends. Articles about business practices feature member advice and success stories, an “In the Community” section showcases voluntary efforts, and “Inside AAHA” keeps members up to date on association news. Rather than simply informing members, Trends strives every month to connect people and their stories, to strengthen the bonds among members and the pride in belonging to a “cream of the crop” cohort.

Perhaps the time has come to take a look at creating, or even reinventing your association’s publications, to ensure they are delivering content to your members through multi-media platforms, while increasing revenue throughout the process.
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Many of us have had the same sponsorship program for years with little change in benefits. Several of us provide the same basic features of banners; logos on print materials, rolling PowerPoints or website; and verbal recognition at the conference’s opening or closing session.

Sponsors are becoming more aware of what can be achieved with their marketing budget. Each year, more companies approach sponsors, promising to provide unique connections to new customers and promotion of their brand to build loyalty within their current client base.

The challenge set forth for each of us then is, “How do we provide a unique sponsorship package to meet the needs of the sponsor?” Below are ideas that I have come across on my quest for ways to add value to a sponsorship package.

**Branded Parties**

Many conferences include networking events. Why not allow a sponsor to have naming rights or be listed as the company that brought the event to the attendees (e.g., Colorado Restaurant Night sponsored by XYZ Company or XYZ’s Food Truck Showdown)? You could also have the sponsor provide a logo-branded item to each attendee, such as a Hawaiian shirt for the luau or a ball cap for the baseball game.

**Host Power Station**

This is one of the easiest additions to any event. You can go as low-tech as having tables with power cords or ask your audio-visual company to supply a formal power station with all the mobile device wires needed for attendees to use. While attendees are waiting for their battery level to come back to life, a sponsor could have their logo displayed and marketing materials available. In addition, you could put the sponsor logo on the conference map showing where the power station is located.

**Exclusive Presentations/Events**

This is one of my favorites. Because some sponsors have a specific audience they are trying to reach, why not have an exclusive, sponsored presentation or event for this audience? The sponsor can even be invited to introduce the speaker or welcome the guests. We are testing this out at one of our events with an invitation-only breakfast that will have one of our top national speakers from the conference presenting. We save on speaker fees, as the speaker is already at the conference presenting on a different topic, and the sponsor will be provided additional tickets to the event to share with their top clients.

**Attendee Packets**

Instead of marketing brochures stuffed into packets, why not ask sponsors to provide swag or a ticket to fill out and drop at their booth for a chance to win a bigger prize? Another idea would be to have the sponsor provide items that fit a theme or location. An example would be to provide columbine seeds for a Colorado event, or spice packets for a trade show focused on culinary skills.

**Exclusive Advertising**

This falls under the category of providing a benefit that you currently have and is available without much expense. If you have a conference program, offer the back cover to
SPONSORSHIP IDEAS
only one sponsor type. You might also add special opportunities for advertising in the association’s newsletter or magazine.

**Photo booth with logo background**

Now that selfie is an official word in the Merriam-Webster dictionary, it is time to recognize that the selfie is here to stay as a daily activity. Why not incorporate the attendee need to document their life at your event? Set up a photo background with the logo of the sponsor (and yours, too) and have fun. You can even have props for attendees, such as hard hats for construction conferences or a cutout of an athlete with which attendees can pose.

Keep in mind, though, capture their photos and use the material to promote the value of your event. Which leads to the next idea:

**Smart Wall**

A Smart Wall allows attendees to post through social media and immediately display the information digitally. Ask your attendees to post to your Facebook, Twitter, LinkedIn or other social media account throughout the conference, and then have a dedicated display that shows your social media account posts for the attendees to view. The great thing about this idea is that the attendees create the content through their posts.

**Games/Game Lounge**

If you have an open exhibit booth that did not sell, or an extra room that you are not using at the conference, set up a game or game lounge. You could rent a ping pong table and have the sponsor logo on the ping pong balls, or a giant Jenga or cornhole game. Even a table with checkers, backgammon or Chutes and Ladders would provide a distraction for some attendees.

**Sponsor Live Streaming/Videos**

If you provide videos or live streaming, you might want to consider the YouTube method of advertising that places a short ad at the beginning of the video.

**Matching Donations**

This might be one of the most impactful sponsorship opportunities. If you are raising money for your charity or another organization, ask a sponsor to match donations up to a certain dollar amount. The promotion of the sponsor’s matching donation can be carried on for some time, providing a longer recognition of the sponsorship.

No matter what you choose for sponsorship opportunities, the most important thing to do is say thank you often and consistently. Be sure the sponsors know how much they are appreciated and what their sponsorship meant to the event and organization.

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I was conducting a half-day sales seminar with an association as a revenue-sharing event. It was an excellent non-dues revenue opportunity for them and a valuable event for their members. To maximize both their revenue and mine, I encouraged them—and we agreed—to charge dramatically more than they typically did for such an event.

When I received their first marketing piece about the event, however, I was surprised to see the registration price listed as only a third of what we had agreed upon. I called the executive director and asked her what happened.

“We talked about it and we were afraid people wouldn’t register at that price,” she explained.

I asked her what their next free event was and how many people were attending.

“We have a networking event in a couple days; 43 people are registered.”

I said to her, “You have nearly 700 members. That means you have 650 members who are not attending a free event.”

There was a long pause.

“Oh.”

**The Danger of Undercharging**

Non-dues revenue is essential for any association. Yet too many association executives charge too little for their events, products and services. And that’s a shame. Because when you don’t charge enough, you do a disservice to your organization, your members, your industry and your community. By shortchanging your association, you prevent it from being and doing all it can.

Money is the lifeblood of any organization, whether nonprofit or for-profit. Without enough money, your organization struggles to survive. You
and your board are under constant pressure. Employee morale is low. Members are dissatisfied. Goals and plans are pushed further and further into the future.

You may be running a nonprofit, but you still need to make money. Just because owners and investors aren’t pocketing “profits” doesn’t mean you don’t need to maximize your revenues. Do you really want to struggle constantly, haunted by the possibility of shutting down, or do you want to grow, thrive and serve more people?

**Why Associations Don’t Charge Enough**

There are four primary reasons associations don’t charge enough for their events, products, and services.

The first is that some association executives and employees lack business training and experience. As a result, they don’t understand the true costs of providing a product or service.

Many association executives I’ve spoken with don’t understand their overhead and how it relates to how they should set prices. They consider the direct costs that go into providing something, but forget about their rent, utilities, insurance, labor, equipment and so on. All of that has to be accounted for. At the end of the year, the total revenue has to exceed the total costs.

The second reason associations don’t charge what they should is that often it is members sitting on the boards who make pricing decisions. In those cases, board members are frequently reluctant to raise prices on the things they buy. Can you say “conflict of interest?” Sometimes board members need to be reminded that—in that role—they need to serve the association first.

The third reason associations undercharge is one that’s common to both nonprofit and for-profit organizations: fear. The fear that people won’t buy if prices...
are raised. It’s what caused the association I mentioned above to slash the registration price we had agreed on.

Part of the challenge for association executives is that they don’t always appreciate the full value that their organization, events, products and services provide to their members.

Because association employees don’t typically use the products and services their members use—and they don’t go to events for the same reasons members do—they have a hard time understanding how those things truly impact members. Which means they don’t appreciate how much members value them. The fear that members won’t buy occurs when association executives underestimate what members are willing to pay for their offerings.

Three more things to keep in mind to keep fear at bay:

1. No matter what you charge for an event or a benefit, some people will think it’s too expensive and some will think it’s a bargain.

2. The cheaper something is, the less people value it.

3. If there is value in your offering, people will happily pay for it.

The fourth reason associations charge too little is endemic to the nonprofit sector: guilt. Many—if not most—association executives believe they should charge as little as possible. They think that they should “serve” members, not “make money of them.” In fact, many people in the nonprofit sector are there because they believe that profit is distasteful, if not downright immoral.

But the fact remains that the more money you have, the better you can serve people. And without money, you can’t serve anybody. Again, just because you’re not calling it “profit” doesn’t mean you shouldn’t be generating excess revenues every year. Why?

Benefits of Charging More

Let’s say you started charging for some of the benefits you give away right now, and raised your prices for other events, products and services. What could your association do with the extra money you would generate?

Well, you could:

• Offer new services
• Create new products
• Increase your marketing outreach
• Hire more people
• Pay your employees more
• Train your executives and staff
• Institute employee recognition and appreciation efforts
• Create scholarships
• Improve your meetings and conferences
• Move your offices to a bigger, better space
• Launch member appreciation initiatives
• Add to your savings for operating reserves
• Hire a lobbyist
• Upgrade your office equipment
• Invest in your website
• Engage in community service projects
• And more!

Notice that all of these things serve your members, and thus, your mission. They also enable you to serve more members, because the increased marketing, coupled with more and better events, products and services, will attract new members to your association.

I’m not saying you should never give anything away for free. And I’m not saying that all your prices should go through the roof. I’m a big fan of free stuff—it adds value to a membership and makes people feel appreciated. And one of the benefits of charging more for some things is that you can charge less for others. (Like, say … dues.) And the more you charge for some benefits, the more benefits you can give away.

I’m just saying you shouldn’t give everything away and you shouldn’t undercharge for everything. Because the more money your association brings in, the more it can spend on members, employees, the industry and the community.

The Next Event

About a year later I conducted another half-day sales seminar with the association that had slashed registration prices. This time they did charge the higher price we had originally agreed on.

There was a 30 percent drop in attendance compared with the previous seminar, but because the price was three times as much, the association made twice as much money! With the same amount of effort and the exact same costs. Meanwhile, the attendees loved the program and felt they got their money’s worth.

Members give you their money because they receive value from what you provide. Appreciate that value and charge appropriately so you can continually increase the value you provide them. That’s ultimately your mission.
Nonprofit organizations must report expenses by purpose, and this process can be daunting. We want to help you understand your options and explain the math behind the indirect allocation method.

Expenses are reported as either “Program”, “Support–Management and General” or “Support–Fundraising.” Program expenses must directly support the organization’s mission. Too little allocated to Program could make your organization look inefficient to potential donors, so the allocation is extremely important.

Some expenses are clearly for a defined purpose and those can be directly allocated by their function. This is the easy part! When the expense crosses multiple functions they are called “indirect” and require an “indirect allocation.”

The indirect allocation typically uses staff hours to compute a percentage which is applied against the total cost. In other words, allocate the expense based on the time each individual spends on the programs, management and fundraising.

You may be tempted to allocate an administrative salary 100% to management/general, but that would be a mistake. Do they spend time calling potential donors? Or compiling materials for your programs? It is important to look at the work each person performs to determine how much of their time might actually be for programs or fundraising. It is also a good practice to reevaluate periodically, as job functions are constantly changing.

The key is to collect the data from your staff throughout the year. Have them report timesheets with their allocation every pay period. Once you know how much time staff spends on specific functions, you will have a better idea about what percentage of time is attributable to programs and fundraising, and the indirect allocation will become a simple math calculation!
A quick review of the literature and a scan of the articles in this magazine yield the answer. Yes! Not just yes, but a really strong positive response. Non-dues revenue is not just desirable, but in the case of smaller associations, truly necessary. The primary generator of income is dues, but for some groups that one line item simply isn't enough to support all the activities members want.

To research this article I started with the logical first step—a Google search. Sometimes just scanning the first page on a search is interesting in and of itself. In this case the scan yielded 10 results from sources as follows: 1 chamber of commerce, 1 web consulting service, 2 online nonprofit sources, 1 ASAE, 3 association management companies, 1 meetings magazine, 1 actual association. Many sources of non-dues revenue (NDR) such as fundraisers, grants, events, meetings and sponsorships are mentioned elsewhere in this issue. Some less obvious ones are surveys, white papers and research reports.

By way of definition it is helpful to look at NDR in two ways: revenue generated from members (dues, publications, meetings, etc.) and income from other than members (vendors, advertisers and suppliers for example). For small societies there is a particular challenge because they don't have sufficient staff to produce publications, do research or run credentialing programs. But a less appreciated challenge is that the small number of members in the association are being tapped over and over again.

One reference I found from the Texas Bar Association offers 37 ways to generate NDR. Two that were particularly creative are award programs with entry fees and offering an equipment fair.

While generating the income is critical, it is also vital to assess the effort to undertake the project or program. It makes sense to understand the cost/benefit of any new endeavor.

An especially good article is “Non-dues Revenue Strategy Begins with a Revenue Analysis” by Barton Tretheway of Bostrom. He wisely suggests that the first step in developing a non-dues revenue program is to determine why you want such a program and how to achieve it. He offers data from ASAE’s Association Operating Ratio Report. (If you have not reviewed that report, put it on your to do list).

This data is from the 2015 report but is not significantly different today. Non-dues revenue comprised 35 percent to 39 percent of income of all associations, with the lower number from larger associations as you might surmise. Barton goes on to define steps to develop a non-dues revenue development strategy. He concludes with a key statement: the most significant driver of a non-dues revenue strategy is member need. He notes, “Typically, member needs fall into three categories: unsatisfied, unmet or unknown. Knowing your member needs as well as your organization’s revenue goals are critical components of any non-dues revenue strategy.”
Congratulations!
2017 CSAE Ambassador of the Year

Ann Marie Cole, Director of Sales, DoubleTree by Hilton Greeley at Lincoln Park, was named the Ambassador of the Year at the 2017 Annual Conference in July. Ann Marie has a strong commitment and dedication to CSAE. The CSAE Ambassador program started earlier in 2017 and Ann Marie was the first to sign up. Through this program, she visits with a list of CSAE members that have been assigned to her and serves as their liaison to the organization. She works at CSAE events, attends nearly all of them, participates in committees, and serves on the CSAE Board of Directors. Thank you Ann Marie Cole for giving of your time to the Colorado Society of Association Executives. We appreciate you!

If you are interested in being a CSAE Ambassador, reach out to Ambassador Chair Dot Miller at 303-885-2501 or Dot@TheSolutionWebsite.com

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Why are you a member of CSAE?
It was mandated by my job to increase face time with potential clients. I am finding, however, that my personal return on investment may be more than my employer’s ROI. The networking opportunities are great, and I am learning a lot by taking advantage of the programs.

What is your background and experience?
I did the Disney College Program at the Animal Kingdom Lodge and fell in love with the hospitality industry. From there I worked front desk at a Hyatt in Baton Rouge, where I began to understand a bit more about the back-of-house operations, which led me to become interested in a sales assistant position. I worked my way up from that point, working as a catering assistant to event manager and finally a sales manager. I have worked in hotels of varying sizes in Louisiana, South Carolina, Illinois and now Colorado.

What is your passion and how does it inspire you in your work?
I’ve thought about this a lot and I really can’t put my finger on a true passion of mine. I like making people happy and enjoy the feeling of knowing that people appreciate me and the work that I do.

What do you do for fun?
I love my dog Angus, and any activity with him and my husband Jason is a win! I’m a huge fan of a cocktail. I love college football, especially LSU. GEAX Tigers!

What is something people may not know about you?
I have a fear of belly buttons, I had a speech impediment as a child, and I am a homebody.

What do you consider your greatest accomplishment?
My greatest accomplishment is the purchase of our first home. We moved to Denver—my father-in-law offered to let us live in his basement apartment so that we could save money. It was an awesome gift but also a major sacrifice of privacy and maybe a little freedom as well. I am proud of getting out of my way and accepting that gift. I am proud of my husband and I being able to make all of the sacrifices needed to make it happen. I am so proud of our first home together!

Note: Candice recently received recognition from Atrium Hospitality for achieving the best sales results in the entire company (51 Hotels) by closing 221.6 percent of her sales goals for the first trimester. Great job, Candice!
That’s Also 1-to-Many!

Nothing beats the personal touch when closing a sale, but 1-on-1 communication can be very time consuming – until now. Introducing Access Live, a new way to conduct lively and informative virtual town hall-style recruiting events, leveraging personal interaction to convert prospects into members.

See what so many other organizations are doing to build their business using Access Live with their prospects, members, subscribers and customers.

For more information, visit jatostrategies.com/associations or call 720-943-0303.
Online Tools Sharpen Volunteer Efforts

By Mary Beth Armbruster and Heather Folker

Helping volunteers share and collaborate on documents, calendars and files is challenging when members have varied locations and schedules. In the spring Executive Memo, we examined how Doodle, Google for Nonprofits and Google Drive can help. Here are more tools to keep volunteers engaged.

- **Signup Genius**
  Say goodbye to reply-all emails and paper sign-up sheets. This free online tool helps you create a list of volunteer jobs and time slots for an event or project. Then send the volunteer link to potential volunteers. This tool is easy to use, and volunteers needn’t sign up for an account to respond.

- **Join.Me**
  Many visual learners find emails and phone calls ineffective. Join.me offers you a feature-rich video conference option. The free plan offers screen sharing and voice-over IP (VoIP) calling for up to 10. Or upgrade to the Pro plan, which accommodates up to 50 participants for $20 (less for nonprofits) per month.

  One of their newest features is mobile whiteboards. Volunteers can collaborate and see what others are “thinking” on their desktop or mobile device. The app is currently only available for mobile devices on iPhone and iPad.

- **WeTransfer**
  Need more free space to store and send files than your cloud-based system provides? WeTransfer can give you 20GB of storage for free. Send up to 2GB files at a time without having to create an account. Need more? Try the Plus option: receive 100GB of storage and send up to 20GB at a time for $12 per month.

CSAE Launches Online Directory

By Joan Tezak, CAE, CMP

It’s here! CSAE’s website now has a new, updated online, searchable member directory. Thank you to all our members who provided input and comments on how they wanted the search feature.

With the new directory, members can search for organizations by type as well as for individual members. The directory contains only the names and organizations of CSAE members. And it is searchable only by CSAE members.

Need a meeting facility? Search for one. Need to find a member’s address? Search for it.

Members and organizations are encouraged to upload their photo/logo and include their bio/organization description in the directory. This feature will help you get advance information on members you might want to meet at upcoming programs. To upload or update a bio or logo, click on “Member Directory” on the top CSAE website menu at csae.org, log in, click on Member Directory in the Member Center, then click on My Bio or My Organization.

CSAE will continue to print the hard copy directory. The online directory will supplement this much used and greatly valued resource.

Remember, whether on the go or at the office, you now have access to CSAE membership through the online directory.
The Mountain Collection by Wyndham Vacation Rentals features indoor and outdoor conference venues in the most popular Colorado Mountain destinations. Nestled at the base of four premier resorts, accommodations range from the best hotels to luxurious eight bedroom private homes ideal for every group and budget.

Majestic mountain vistas expand your event with boundless summer adventures at the best rate of the year. Entertain your team and their families with festivals, concerts, events, nightlife, shopping and dining all season long. Or plan a winter event and enjoy world class skiing and après ski experiences.

Our Professional Group Coordinators make planning easy with your choice of destinations for the perfect event. From our friendly personalized service to our incomparable locations, everything we do is designed to provide an exceptional alpine experience.

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866.838.1783
Main Street Station
866.838.1783

**VAIL**
vailgroups@wynvr.com
Lion Square Lodge at the Gondola
866.214.6915
Conferences Highlights

The 2017 CSAE Annual Conference, held June 25–27 at Crested Butte Mountain Resort, attracted 178 attendees, representing 67 national, state and regional associations. New this year were 10-minute takeaways; roundtable dialogs that offered deep-dive discussions into crucial topics; and the Reverse Trade Show, where sponsors and attendees connected in a fun speed-dating format.
Save the Date

Make plans to join us for next year’s CSAE Annual Conference, June 6–8, 2018, at the brand new DoubleTree by Hilton Greeley at Lincoln Park in historic Greeley, Colo.
Well-executed Non-Dues Revenue (NDF) programs enhance the member value proposition and create more ways to attract new members.

Associations rely most heavily for NDR on meeting and convention registration fees, exhibit and tradeshow booth fees, and educational program fees.

Membership revenue as a percentage of total revenue is 41.4% for trade associations and 34.2% for individual membership organizations. Segmented by IRS tax status, dues revenue comprises 31.4% of total revenue of 501(c)(3) organizations and 40.4% of 501(c)(6) organizations.

**MORE SPECIFICALLY, FOR TRADE ASSOCIATIONS, THE TOP FIVE REVENUE PRODUCING CATEGORIES ARE:**
1. Meeting/convention registration fees: 10.4%
2. Exhibit/tradeshow booth fees: 9.7%
3. Certification/accreditation/standardization evaluation: 5%
4. Meeting sponsorship: 4.6%
5. Educational programs: 4.5%

**FOR INDIVIDUAL MEMBERSHIP ORGANIZATIONS, THE NON-DUES REVENUE DRIVERS ARE:**
1. Meeting/convention registration fees: 12.5%
2. Educational program fees: 7.5%
3. Contributions/grants/contracts non-government: 7.2%
4. Exhibit/tradeshow booth fees: 6%
5. Certification/accreditation/standardization: evaluation: 4.7%

ASAЕ looked at each organization’s total revenue and found that non-dues revenue comprised 39.4% of revenue for organizations with less than $1 million total revenue; 36.6% for organizations with total revenues of $2 - $5 million and 35.8% of revenue for those organizations with total revenue of $10 - $20 million.


**TOP 5 SOURCES OF NON-DUES REVENUE:**
1. Events (conferences, symposiums, workshops, lunch & learns, festivals, etc.)
2. Sponsorship
3. Education (certification, training programs, tele-seminars, lecture programs, webinars, etc.)
4. Fundraising/Donations
5. Grants

**OTHER NON-DUES REVENUE STREAMS**
- Merchandise sales
- Subscription fee to access password-protected side of website
- Insurance sales
- Project management fees
- Sales of member directory
- Fees for conducting research/studies
- Subscriptions to industry statistics
- Rental of office space
- Retail outlet
- Sale of industry-specific books

Source: Wild Apricot

**61%** of global consumers are willing to try a new brand or one they’ve never heard of because of its association with a particular cause or group.

**50%** of global consumers are willing to reward companies that “give back” by paying more for increasing brand visibility that is delivered to the company through increased exposure through the association’s communications platforms, channels and those of its members.

Source: Nielsen, 2013 Consumers Who Care Study

44% of associations are able to double their revenue through non-dues sources.

NDR accounts for at least 25% of total revenue at the vast majority of associations (86%) and for more than half of revenue at 22% of associations.

Over 35% of association execs say increasing advertising, sponsorship and affinity partnerships is their highest NDR priority.

One in six (16%) say increasing live event revenue is their top revenue priority.

26% say increasing revenue from mobile apps, webinars or virtual events is their top priority.

Source: Association Adviser

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